



POWER PURCHASE AGREEMENT

between

IMPERIAL IRRIGATION DISTRICT

and

DESERT VIEW POWER, INC.

Contract No. 04-2012-001

POWER PURCHASE AGREEMENT

BIOMASS POWER GENERATION FACILITY

This Power Purchase Agreement (this "Agreement") is made and entered into as of April 18, 2012 by and between the Imperial Irrigation District, an irrigation district organized and operated under the Water Code of the State of California ("IID"), and Desert View Power, Inc., a California corporation ("Seller"). IID and Seller are referred to individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Seller owns and operates a woody biomass power generating facility in Riverside County, California;

WHEREAS, Seller currently sells power to Southern California Edison ("SCE") through an energy sales agreement (the "SCE PPA");

WHEREAS, Seller and SCE have agreed to suspend power sales for ten (10) years under the SCE PPA by means of an agreement and amendment to the SCE PPA ("Suspension Agreement");

WHEREAS, Seller now desires to supply Energy, Environmental Attributes and Capacity Attributes to IID, and IID desires to purchase such Energy, Environmental Attributes and Capacity Attributes from Seller upon the terms and conditions set forth herein;

WHEREAS, except as otherwise defined in the body of this Agreement, initially capitalized terms used in this Agreement shall have the meanings contained in Exhibit A; and

WHEREAS, the foregoing recitals are expressly incorporated into this Agreement by reference.

NOW, THEREFORE, in consideration of the promises and the covenants and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IID and Seller, intending to be legally bound, hereby agree as follows:

ARTICLE ONE: EFFECTIVE DATE; TERM

1.1 Effective Date. The Parties acknowledge and agree that this Agreement and the Suspension Agreement are to be executed at approximately the same time, and that both documents must be signed contemporaneously for this Agreement to be effective. As a result, this Agreement shall be effective on the later of (a) the date Seller and IID sign this Agreement, and (b) the date Seller and SCE sign the Suspension Agreement (the "Effective Date"). The Parties shall confirm the Effective Date of this Agreement in writing.

1.2 Delivery Term. The delivery term shall be ten (10) Contract Years. As used herein, the "Delivery Term" shall begin on the Commercial Operation Date and continue until the end of tenth (10th) Contract Year, unless terminated earlier as provided in this Agreement.

1.3 Disapproval of Suspension Agreement; Early Termination. If (i) the CPUC disapproves the Suspension Agreement; (ii) the filing with the CPUC for the approval of the Suspension Agreement is withdrawn; or (iii) the CPUC fails to approve the Suspension Agreement by December 31, 2013 (any such occurrence, a "CPUC Termination Event"), then either Party may, but shall not have the obligation to, terminate this Agreement early. The early termination date shall be mutually agreed upon in writing by IID and Seller, and shall occur no later than thirty (30) days after the CPUC Termination Event. The Parties shall continue to perform their respective duties and obligations hereunder until the early termination date.

(a) If a CPUC Termination Event occurs, and if either Party chooses to terminate this Agreement early, then IID shall use commercially reasonable efforts to mitigate such early termination by securing from a third party a comparable source of renewable energy at a comparable price ("Replacement Renewable Energy").

(b) If IID is unable to secure Replacement Renewable Energy prior to the early termination date (as mutually determined above), then following such early termination date Seller shall pay IID the following mitigation costs ("Mitigation Costs"): **Fifty Thousand Dollars (\$50,000) per day**. Seller shall continue to pay Mitigation Costs to IID until (i) IID secures Replacement Renewable Energy, or (ii) sixty (60) days after the early termination date (as mutually determined above), whichever occurs first; provided that Seller shall not be required to pay any Mitigation Costs to the extent that it provides Product to IID pursuant to a post-termination sales agreement (or similar document) that contains substantially the same terms and conditions set forth herein.

(c) IID's acceptance of Mitigation Costs hereunder shall be IID's sole and exclusive remedy for a CPUC Termination Event.

1.4 Extension Discussions. If the CPUC approves the Suspension Agreement, then within ninety (90) days of such approval the Parties agree to meet in good faith to negotiate a possible extension to this Agreement. Any such extension must be mutually agreeable to both Parties, and shall be subject to SCE's right to recommence the SCE PPA at the end of the Delivery Term hereunder (such SCE decision to occur no later than eight (8) years after the original effective date of the Suspension Agreement).

1.5 Survival of Obligations. Notwithstanding any early termination of this Agreement or the expiration of the Delivery Term, this Agreement shall remain in effect until:

(a) The Parties have fulfilled all outstanding obligations under this Agreement, including but not limited to payment of amounts due for the Product delivered prior to the end of the Delivery Term, the Settlement Amount, indemnification payments or other damages (whether directly or indirectly such as through set-off or netting);

(b) The undrawn portion of the Performance Security is released and/or returned as applicable (if any is due); and

(c) All disputes submitted pursuant to Article 12 (if any) prior to, or resulting from, termination have been resolved.

ARTICLE TWO: PRODUCT DELIVERY AND SALE

2.1 Product. The "Product" to be delivered and sold by Seller and received and purchased by IID under this Agreement is all Energy, Environmental Attributes, Capacity Attributes and other ancillary products or services associated with the production of electricity. For the avoidance of doubt, Product shall not include any ash, fuel by-products, environmental reduction credits or other physical product (other than electricity) used, generated by, or disposed from the Biomass Facilities.

2.2 Transaction. During the Delivery Term, Seller shall sell and deliver and IID shall purchase and receive the Product at the Delivery Point, and IID shall pay Seller for the Product in accordance with the terms hereof. In no event shall Seller have the right to (a) procure any element of the Product from sources other than the Biomass Facilities for sale or delivery to IID under this Agreement, or (b) sell or deliver the Product to any purchaser other than IID, except during an IID Event of Default or a period when IID is excused by Force Majeure from its obligations under this Agreement.

2.3 Environmental Attributes. Seller hereby agrees to provide and convey all Environmental Attributes associated with all electricity generation from the Biomass Facilities to IID as part of the Product being delivered (including all Environmental Attributes associated with Station Service, to the extent such exist). Seller represents and warrants that Seller holds the rights to all Environmental Attributes from the Biomass Facilities, and Seller agrees to convey and hereby conveys all such Environmental Attributes to IID as included in the delivery of the Product from the Biomass Facilities (including all Environmental Attributes associated with Station Service, to the extent such exist). Seller shall take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to enable the Biomass Facilities to qualify for Environmental Attributes and to enable Seller to provide and convey to IID such Environmental Attributes during the Delivery Term. If any new or additional Environmental Attributes associated with the Biomass Facilities become available after the Commercial Operation Date, then Seller shall promptly designate, register, verify and deliver all such new and additional Environmental Attributes to IID.

2.4 Resource Adequacy. During the Delivery Term, Seller hereby agrees to deliver and otherwise commits to IID all of the Contract Capacity, including Capacity Attributes, from the Biomass Facilities for IID to use in meeting any resource adequacy or successor program requirements (including all Capacity Attributes associated with Station Service, to the extent such exist). Seller agrees that it shall take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to enable IID to use all of the Contract Capacity, including Capacity Attributes, to be committed by Seller to IID pursuant to this Agreement for any resource adequacy or successor program requirements (including all Capacity Attributes associated with Station Service, to the extent such exist). The Parties shall execute all

documents and instruments and take such other action as IID may reasonably request to effect the transfer of all such Capacity Attributes to IID.

2.5 WREGIS. During the Delivery Term, Seller shall take all commercially reasonable actions necessary to ensure that the Environmental Attributes produced from the Biomass Facilities are transferred to IID through WREGIS, including payment of all fees required to register the facility in WREGIS, issue WREGIS certificates, and transfer such certificates to IID.

ARTICLE THREE: CONTRACT CAPACITY; PERFORMANCE

3.1 Delivery Point. The Delivery Point shall be the high side of the step-up transformer on the Site.

3.2 Contract Capacity. The "Contract Capacity" is the agreed upon generation capacity of the Biomass Facilities, which shall be 45 MW net of all Station Service; provided that the Contract Capacity of the Biomass Facilities may exceed 45 MW due to operating parameters of the Biomass Facilities, but shall in no event exceed the current transmission capacity under its interconnection agreement(s) of 49 MW.

3.3 Contract Quantity. The quantity of Delivered Energy that Seller expects to deliver to IID during the Initial Calculation Period and during each subsequent Calculation Period is set forth in Exhibit C ("Contract Quantity").

3.4 Minimum Performance. The Parties acknowledge and agree that a material inducement for IID entering into this Agreement is Seller's ability to provide Product to IID on a consistent basis throughout the Delivery Term.

(a) If, (i) at the end of the Initial Calculation Period, Delivered Energy is less than ninety percent (90%) of the Contract Quantity for the Initial Calculation Period, or (ii) at the end of any subsequent Calculation Period, Delivered Energy is less than eighty-seven and one-half percent (87.5%) of the applicable Contract Quantity for such subsequent Calculation Period ("Minimum Threshold"), then Seller shall owe liquidated damages to IID for such underperformance. For purposes of determining whether Seller has achieved the Minimum Threshold during the Initial Calculation Period or during any subsequent Calculation Period, Seller shall be deemed to have delivered Energy to IID in the amount Seller could reasonably have delivered to the Delivery Point but was prevented from doing so as a direct result of: (A) any Force Majeure events; (B) IID's breach under this Agreement (but only to the extent and only for so long as such breach proximately causes Seller's failure to deliver Energy); and/or (C) any Dispatch Down Periods. "Minimum Threshold Liquidated Damages" shall be calculated as follows:

[Product Shortfall (MWhs) x Fifty Dollars (\$50.00) per MWh] =

Minimum Threshold Liquidated Damages (expressed in Dollars)

Where:

“Product Shortfall” = The difference, in MWh, between the Minimum Threshold and the Delivered Energy provided to IID in the Initial Calculation Period or in any subsequent Calculation Period (including all Energy deemed to have been delivered by Seller under this Section 3.4(a)).

[Sample Calculation: If the Product Shortfall is 2,000 MWhs, then:

2,000 MWhs x \$50.00 per MWh = \$100,000

[Result: Seller would owe IID \$100,000 in Minimum Threshold Liquidated Damages.]

(b) The Parties agree that the Minimum Threshold Liquidated Damages represent a reasonable estimate of the costs, penalties and/or expenses that IID will incur as a result of Seller’s failure to achieve the Minimum Threshold during the Initial Calculation Period and/or during any subsequent Calculation Period. Further, IID’s acceptance of Minimum Threshold Liquidated Damages hereunder shall be IID’s sole and exclusive remedy for Seller’s failure to achieve the Minimum Threshold during the Initial Calculation Period and/or any subsequent Calculation Period, subject to Section 5.1(b)(iii) below.

3.5 Biomass Facilities Only. All Product provided by Seller to IID pursuant to this Agreement shall be supplied only from the Biomass Facilities. Other than repair, replacement or maintenance in accordance with Good Industry Practices, Seller shall not make any alteration or modification to the Biomass Facilities after the Commercial Operation Date which results in a change to the Contract Capacity of the Biomass Facilities without IID’s prior written consent. For the avoidance of doubt, Seller may use an engine generator or purchase electricity to provide Station Service.

3.6 Seller’s and IID’s Service Obligations.

(a) During the Delivery Term, Seller shall arrange and be responsible for delivery of the Product to the Delivery Point. Seller shall also fulfill all applicable metering and interconnection requirements set forth in its interconnection agreement(s) pursuant to the OATT.

(b) During the Delivery Term, IID shall arrange and be responsible for receipt of any and all of the Product made available by Seller at and from the Delivery Point.

3.7 Scheduling.

(a) Scheduling Agent.

(i) IID as Scheduling Agent for the Biomass Facilities. During the Delivery Term, IID shall be the Scheduling Agent or designate a qualified third party to provide Scheduling Agent services for the Biomass Facilities for both the delivery and the receipt of the Product at the Delivery Point. At least ten (10) days prior to the Commercial Operation Date, Seller shall take all actions and execute and deliver to IID all documents necessary to authorize

or designate IID as Seller's Scheduling Agent for the Biomass Facilities effective as of the beginning of the Delivery Term. During the Delivery Term, Seller shall not authorize or designate any other party to act as Seller's Scheduling Agent, nor shall Seller perform for its own benefit the duties of Scheduling Agent, and Seller shall not revoke IID's authorization to act as Seller's Scheduling Agent unless agreed to by IID. IID (as Seller's SA) shall submit Schedules based on the final forecasts developed in accordance with this Agreement, the operating procedures set forth in Exhibit D, and the applicable IID protocols and Scheduling practices for Product on a day-ahead, hour-ahead, or real time basis, as determined by IID. All responsibility and liability associated with Scheduling, including in connection with deviations and imbalances, shall lie solely with IID. In the event that Seller incurs any costs, liabilities, or charges associated with IID's Scheduling, IID shall indemnify Seller for all such costs, liabilities, or charges.

(ii) Notices. Seller shall promptly submit to IID all notices and updates required under the OATT regarding the status of the Biomass Facilities including, but not limited to, all outage requests, Forced Outages, Forced Outage reports, clearance requests, or must offer waiver forms. Seller shall promptly submit such information to IID in the following order of preference: (A) telephonically, (B) by electronic mail, or (C) by facsimile transmission to the personnel designated to receive such information.

(iii) Terminating IID's Designation as Scheduling Agent. At least thirty (30) days prior to expiration of this Agreement or as soon as reasonably practicable upon an earlier termination of this Agreement, the Parties will take all actions necessary to terminate the designation of IID as Scheduling Agent for the Biomass Facilities as of 11:59 p.m. on such expiration date.

(b) Annual Forecast of Delivery Schedules. No later than ten (10) Business Days before (A) the first day of the first Contract Year and (B) the beginning of each calendar year for every subsequent Contract Year during the Delivery Term, Seller shall provide a non-binding forecast of each month's average-day Delivered Energy, by hour, for the following calendar year.

(c) Monthly Forecast of Delivery Schedules. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide a non-binding forecast of each day's average Delivered Energy, by hour, for the following month ("Monthly Delivery Forecast").

(d) Daily Delivery Schedules. No later than 0500 PPT each WECC Scheduling Day, Seller shall deliver to IID a final forecast of the Delivered Energy for each hour of the immediately succeeding day or days, as designated by the applicable WECC Preschedule Calendar ("Day-Ahead Schedule"). Each Day-Ahead Schedule shall clearly identify, for each hour, all amounts of Energy to be delivered and sold to IID pursuant to this Agreement. Seller shall accurately reflect on such schedule the expected generation of the Biomass Facilities, subject to the applicable OATT, and Seller may not change such schedule past the deadlines provided in this section except in the event of a Forced Outage or schedule change imposed by IID in accordance with the protocols set forth in Exhibit D, in which case Seller shall promptly provide IID with a copy of any and all updates to such schedule indicating changes from the

then-current schedule. These notices and changes to the schedules shall be sent to IID's on-duty Scheduling Agent. Seller may schedule zero (0) MWh in its Day-Ahead Schedule.

(e) Hourly Delivery Schedules. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its schedule on the actual date of delivery for any reason including Forced Outages (other than a scheduling change imposed by IID) which results in a change to its deliveries (whether in part or in whole), Seller shall notify IID as soon as practicable by calling IID's on-duty Scheduling Agent. Seller shall notify IID of Forced Outages in accordance with Section 3.11(b) below. Seller shall keep IID informed of any developments that will affect either the duration of the outage or the availability of the Biomass Facilities during or after the end of the outage. If Seller scheduled zero (0) MWh in its Day-Ahead Schedule, then IID shall, in its sole discretion, decide whether or not Seller is allowed to make a change to its Schedule on the actual date of delivery.

3.8 Dispatch Down/Curtailment. Seller shall reduce delivery amounts, subject to the operational constraints of the Biomass Facilities, as directed by the Transmission Provider or Balancing Authority Area Operator during any Dispatch Down Period. In no event may Dispatch Down Periods exceed seventy-two (72) Scheduled generation hours in any Contract Year. IID shall have no right under this Agreement to curtail, and shall take no action or fail to take any action that would result in the curtailment of, Product from the Biomass Facilities for economic or financial purposes.

3.9 Compliance with Standards.

(a) General Operation. Seller shall comply with all applicable requirements of Law, NERC, WECC and the OATT relating to the ownership, construction, operation and maintenance of the Biomass Facilities.

(b) OATT and WECC Standards. Each Party shall perform all generation, scheduling and transmission services in compliance with all applicable (i) operating policies, criteria, rules, guidelines, tariffs and protocols of the OATT, (ii) WECC scheduling practices, and (iii) Good Industry Practices.

(c) Reliability Standards.

(i) Throughout the Delivery Term, Seller shall abide by all current and future NERC, WECC and OATT reliability standards, and all applicable requirements regarding interconnection of the Biomass Facilities, including the requirements of the interconnected Transmission Provider.

(ii) To the extent applicable, Seller shall register with NERC as a Generator Owner ("GO") and shall register (or cause the operator of the Biomass Facilities to register) with NERC as a Generator Operator ("GOP"). Seller shall comply with all applicable NERC reliability standards for GOs and GOPs throughout the Delivery Term.

3.10 Metering.

(a) Revenue Meter. In compliance with the OATT, all output from the Biomass Facilities must be delivered to IID through a primary revenue meter (owned by IID), and such primary revenue meter must be dedicated exclusively to the Biomass Facilities. The primary revenue meter must be located at the Delivery Point. Seller shall bear all costs relating to all metering equipment reasonably necessary to accommodate the Biomass Facilities, including maintaining a secondary (redundant) revenue meter as required under the OATT (such secondary revenue meter to be approved by IID and installed by Seller no later than ninety (90) days after the Effective Date). In addition, Seller hereby agrees to provide all meter data to IID in a form reasonably acceptable to IID, and consents to IID obtaining meter data applicable to the Biomass Facilities and all inspection, testing and calibration data and reports. Seller hereby grants IID the right to retrieve the meter readings directly from the meter(s) at the Site during normal business hours, at its sole expense, and upon reasonable notice to Seller.

(i) Testing and Calibration. Seller shall perform or cause to be performed, at its expense, annual testing and calibration of the revenue meters in accordance with Good Industry Practice and the OATT. Seller shall give IID reasonable advance notice of any inspection, testing or calibration of the revenue meters and permit IID's representative or designee to be present at such inspection, test or calibration of the revenue meters. IID shall have the right to require, at IID's expense, except as required below, a test of any of the revenue meters not more often than two (2) times every twelve (12) months.

(ii) Inaccurate Meters. If the primary revenue meter is found to be inaccurate by greater than two percent (2%), deliveries shall be measured by reference to Seller's secondary (redundant) meter if it is registering accurately, or, if the secondary revenue meter is found to be inaccurate by greater than two percent (2%), the meter readings for the period of inaccuracy shall be adjusted as far as can be reasonably ascertained by Seller from the best available data, subject to review and approval by IID. If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-half of the time elapsed since the preceding test by applying the percentage of inaccuracy so found. Seller shall promptly cause such electric meters to be corrected and, where such inaccuracy was determined pursuant to a test required by IID, Seller shall bear the expense of any such test.

(iii) Delivered MWh Adjustments. In the event that the Delivered Energy is increased or decreased, due to correction for inaccurate electric meters as set forth in subsection (ii) above, the revised Delivered Energy shall be used for purposes of calculating payments and Seller's performance under Section 3.4 above. If any of such amounts for any period have already been calculated using the previous amount of Delivered Energy, they shall be recalculated using the revised amount of Delivered Energy. If the recalculation changes the amount payable for the period in question, revised payments shall be made by IID or Seller in accordance with Sections 6.2 and 6.3 below, as applicable.

(b) Real Time Telemetry. In compliance with the OATT, Seller shall install, activate and maintain metering, communication and telemetry equipment (owned by IID) for the Biomass Facilities in a centralized system to which IID shall have real time access. Seller shall link its system to IID via an approved IID communication network, utilizing existing industry standard network protocol, as reasonably approved by IID. Seller shall correct any problems with such equipment as soon as practicable.

3.11 Outage Notification.

(a) Planned Outages. Planned Outages for the Biomass Facilities will be coordinated with, and approved by, IID to provide (i) the needed maintenance downtime for the plant, and (ii) the best economic dispatch for IID's system, subject to Seller's reasonable operating requirements. Seller shall notify IID of its proposed Planned Outage schedule for the Biomass Facilities for the following calendar year by submitting a written Planned Outage schedule no later than October 1st of each year during the Delivery Term. The Planned Outage schedule is subject to IID's approval, not to be unreasonably withheld. IID shall respond within fifteen (15) days of its receipt of the Planned Outage schedule with its approval or with reasonable modifications to the Planned Outage schedule, and Seller shall use its commercially reasonable efforts in accordance with Good Industry Practices to accommodate IID's requested modifications. IID's failure to respond within fifteen (15) days of its receipt of the Planned Outage schedule shall be deemed to constitute approval of the Planned Outage schedule. Notwithstanding the submission of the Planned Outage schedule described above, Seller shall also submit an outage notification form to IID no later than fifteen (15) days prior to each Planned Outage. Seller shall contact IID with any requested changes to the Planned Outage schedule if Seller believes the Biomass Facilities must be shut down to conduct maintenance that cannot be delayed until the next scheduled Planned Outage consistent with Good Industry Practices. Seller shall not change its Planned Outage schedule without IID's approval, not to be unreasonably withheld. IID's failure to respond within fifteen (15) days of receipt of a request by Seller to change the Planned Outage schedule shall be deemed to constitute approval of the requested changes. Seller shall use its commercially reasonable efforts in accordance with Good Industry Practices not to schedule Planned Outages during the months of May, June, July, August, and September. At IID's request, Seller shall use commercially reasonable efforts to reschedule Planned Outage so that it may deliver Product during declared or threatened emergency periods. Seller shall not substitute Energy from any other source for the output of the Biomass Facilities during a Planned Outage. Nothing herein shall preclude Seller from removing components of the Biomass Facilities from service in order to perform necessary testing or maintenance or otherwise engaging in necessary testing or maintenance activities without IID's consent if so required under Good Industry Practices.

(b) Forced Outages.

(i) As soon as practicable after any Forced Outage occurs, Seller shall notify the proper IID representative by telephone, as provided in Exhibit D. Seller shall use commercially reasonable efforts to notify Buyer's real time desk by telephone no later than fifteen (15) minutes after any Forced Outage occurs, and submit an outage notification form to the proper IID representative by email, describing the event in detail within one hour. Seller shall not substitute Energy from any other source for the output of the Biomass Facilities during any Forced Outage.

(ii) As soon as practicable after any Forced Outage ends, Seller shall notify the proper IID representative by telephone, as provided in Exhibit D. Thereafter, Seller shall comply with all reasonable IID instructions and procedures to ensure that the Biomass Facilities is brought back online in an orderly fashion and in accordance with Good Utility Practices.

3.12 Operating Representative, Operation & Maintenance Logs, and Access Rights.

(a) Operating Representative. Each Party shall designate one or more operating representative(s) who shall be available to address and make decisions on all operational matters under this Agreement on a 24 hour, seven day per week basis.

(b) Operation Logs. Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis. Such log shall include, but not be limited to, information on power production, availability, maintenance performed, outages, results of inspections, manufacturer recommended services, replacements, control settings or adjustments of equipment and protective devices and all other information provided by the Facility's supervisory control and data acquisition ("SCADA") reports. Seller shall maintain this information for at least two (2) years and shall provide this information electronically (or on paper if such information is not available in electronic format) to IID within fifteen (15) Business Days of IID's request.

(c) Access Rights. IID, its authorized agents, employees and inspectors shall have the right of ingress to and egress from the Biomass Facilities during normal business hours, at IID's sole expense, upon reasonable advance Notice and for any purposes reasonably connected with this Agreement; provided that IID, when present at the Site, shall at all times comply with Seller's safety and security requirements, and shall not interfere in any way with operations at the Biomass Facilities.

3.13 Operating Procedures. Seller and IID acknowledge and agree that the notice instructions, operating personnel and additional operating procedures set forth in Exhibit D are mutually acceptable.

3.14 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party gives Notice and details of the Force Majeure to the other Party as detailed below, then, the Party impacted by Force Majeure shall be excused from the performance of its obligations to the extent impacted.

(a) Within two (2) Business Days of the later of (i) commencement of an event of Force Majeure, or (ii) the time at which the affected Party reasonably knows or should know that such an event of Force Majeure will prevent or delay the Party from carrying out, in whole or part, its obligations under this Agreement, the non-performing Party shall provide the other Party with oral notice of the event of Force Majeure, and within two (2) weeks of the commencement of an event of Force Majeure the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. In no event shall an event of Force Majeure excuse any obligation of either Party to make payment under this Agreement.

(b) Seller shall not substitute Product from any other source for the output of the Biomass Facilities during an outage resulting from Force Majeure.

(c) The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure.

(d) IID shall not be required to make any payments for any Product that Seller fails to deliver or provide as a result of Force Majeure during the term of such Force Majeure.

(e) This Agreement may be terminated by the non-claiming Party, and neither Party shall have any further obligation to the other Party, if a Force Majeure event prevents the performance of a material portion of the obligations hereunder and such Force Majeure event is not resolved within twelve (12) months after the commencement of such Force Majeure event. Such twelve (12) month period shall be extended for an additional twelve (12) months in the event of a Major Failure.

3.15 Changes in Applicable Requirements. IID acknowledges and agrees that Seller's agreement to participate in certain programs or comply with certain requirements or obligations established by third parties under this Agreement, including under Sections 2.3, 2.4, 2.5 and 10.2, at the Product Price is premised upon the applicable third party requirements and applicable Law in effect as of the Effective Date. If such third party requirements or applicable Law changes after the Effective Date and such changes would cause Seller to incur increased cost or decreased revenue in an amount equal to or greater than thirty thousand dollars (\$30,000) per Contract Year or two hundred thousand dollars (\$200,000) over the Delivery Term ("Cost Limitation"), Seller shall be excused from its obligations under this Agreement to participate in any such program or comply with any such requirements or obligations unless IID first agrees in writing to reimburse Seller for any costs incurred by Seller in excess of the Cost Limitation.

ARTICLE FOUR: COMPENSATION

4.1 Product Price; Delivered Energy. The Product Price for each Contract Year is set forth in Exhibit E ("Product Price"). IID will pay Seller the Product Price for each MWh of Delivered Energy delivered in each Contract Year. For the avoidance of doubt, the Product Price for each Contract Year is Seller's "all in" price with no additional charges or adders.

4.2 Third Party Compensation. In the event that Seller is compensated by a third party for any Product produced by the Biomass Facilities (except during an IID Event of Default or a period when IID is excused by Force Majeure from its obligations under this Agreement) including, but not limited to, compensation for Capacity Attributes or Environmental Attributes, Seller shall remit all such compensation directly to IID; provided that for avoidance of doubt, nothing herein precludes Seller from retaining federal or state tax credits, research grants, renewable energy subsidies, financial incentives or credits related to transmission upgrades funded by Seller.

ARTICLE FIVE: EVENTS OF DEFAULT; EARLY TERMINATION

5.1 Events of Default. An "Event of Default" shall mean,

(a) With respect to either Party, the occurrence of any of the following:

(i) Except as set forth in Section 5.1(b)(ii), the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) Any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(iii) The failure by such Party to perform any material covenant or obligation set forth in this Agreement (except covenants or obligations specified elsewhere in this Section 5.1 or for which an express remedy is provided in this Agreement) when such failure is not remedied within thirty (30) days after Notice thereof, provided that such Party shall be permitted an additional ninety (90) days to cure such failure if it is unable to remedy the failure through the use of diligent efforts within the initial thirty (30) days after Notice of the failure, and such Party uses diligent efforts to remedy the failure;

(iv) Such Party becomes Bankrupt;

(v) Such Party assigns this Agreement or any of its rights hereunder other than in compliance with Section 14.1; or

(vi) Such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity (except for a Lender pursuant to a financing transaction) and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) With respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) Seller delivers (or attempts to deliver) Energy to IID that was not generated by the Biomass Facilities;

(ii) Failure by Seller to pay IID any Minimum Threshold Liquidated Damages within sixty (60) days after the end of the Initial Calculation Period and/or each subsequent Calculation Period in which a Product Shortfall occurred;

(iii) Failure by Seller to deliver at least fifty percent (50%) of the applicable Contract Quantity (adjusted in the same manner as set forth in Section 3.4(a) with respect to the determination of the Minimum Threshold) during the Initial Calculation Period and/or any subsequent Calculation Period;

(iv) Failure by Seller to satisfy the insurance requirements as set forth in Section 14.3 below, and such failure is not remedied within thirty (30) days of Notice thereof; or

(viii) with respect to any outstanding Letter of Credit provided for the benefit of IID, the failure by Seller to provide for the benefit of IID either (1) cash, (2) a Parental Guaranty or (3) a substitute Letter of Credit from a different issuer meeting the criteria set forth

in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall no longer qualify as an Institutional Lender;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or

(F) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

5.2 Remedies; Declaration of Early Termination Date. If an Event of Default with respect to a Defaulting Party shall have occurred and not been cured prior to the delivery of the Notice described in Section 5.2(a) under this Agreement, then the other Party ("Non-Defaulting Party") shall have the right:

(a) To send Notice, designating a day no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("Early Termination Date") that terminates this Agreement and, if applicable, ends the Delivery Term effective as of the Early Termination Date ("Terminated Transaction");

(b) To accelerate all amounts owing between the Parties under this Agreement and, if applicable, as calculated in accordance with Section 5.3 below ("Termination Payment");

(c) To withhold any payments due to the Defaulting Party under this Agreement;

(d) To suspend performance; and/or

(e) To exercise any other right or remedy available at law or in equity, including specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement.

5.3 Termination Payment. The Termination Payment for a Terminated Transaction shall be the aggregate of all Settlement Amounts plus any or all other amounts due to the Non-Defaulting Party netted into a single amount. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment shall be zero. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses and Costs may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information; provided that for purposes of calculating Gains and Losses, the Parties agree that the Contract Quantities set forth in Exhibit C shall be used to determine the projected Delivered Energy over the remainder of the Delivery Term. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, or indirect damages; provided, however, that any lost Capacity Attributes, Environmental Attributes, and tax benefits (grossed-up on an after-tax basis) (that Seller has not been able to mitigate after use of commercially reasonable efforts) shall be deemed direct damages covered by this Agreement. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (a) the actual damages that the Non-Defaulting Party would incur in connection with a Terminated Transaction would be difficult or impossible to predict with certainty, (b) the Termination Payment described in this section is a reasonable and appropriate approximation of such damages, and (c) the Termination Payment described in this section is the exclusive remedy of the Non-Defaulting Party in connection with a Terminated Transaction occurring after the Commercial Operation Date but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party occurring after the Commercial Operation Date.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a Terminated Transaction, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, interest on amount due and the sources for such calculation. The Termination Payment shall be made to the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

5.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within ten (10) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment shall be determined in accordance with Article 12 below.

5.6 Rights And Remedies Are Cumulative. Except where liquidated damages are provided as the exclusive remedy, the rights and remedies of a Party pursuant to this Article 5 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

5.7 Mitigation. Any Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, losses and damages resulting from any Event of Default of the other Party under this Agreement.

ARTICLE SIX: BILLING AND PAYMENT

6.1 Billing. On or about the tenth (10th) day of each month beginning with the second month of the first Contract Year and every month thereafter, and continuing through and including the first month following the end of the Delivery Term, Seller shall provide to IID:

(a) Records from the primary revenue meter or secondary meter, if applicable, sufficient to document and verify the generation of Product by the Biomass Facilities during the preceding month(s);

(b) Access to any records necessary to verify the invoice; and

(c) An invoice, in a format reasonably specified by IID, covering the services provided in the preceding month determined in accordance with Article 3 (which may include preceding months), with the price(s) identified, and all calculations used to arrive at invoiced amounts described in reasonable detail.

6.2 Payment. All invoices will be due and payable on or before the later of the twentieth (20th) day of each month, or the tenth (10th) day after the IID's receipt of the invoice or, if such day is not a Business Day, then on the next succeeding Business Day. IID shall remit the amount payable in such invoice by wire or electronic fund transfer or otherwise pursuant to the instructions stated in Exhibit D.

6.3 Disputes and Adjustments of Invoices.

(a) IID may, in good faith, dispute the correctness of any invoice or any adjustment provided by Seller to an invoice, rendered under this Agreement or may require an adjustment of any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. Any invoice dispute or Notice requiring invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment.

(b) In the event any invoice or any adjustment to an invoice is disputed, payment of the entire invoice shall be required to be made without withholding or offset in accordance with the time requirements in Section 6.2 above. Any invoiced amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

(c) The Parties agree to make good faith efforts to reconcile the billing dispute and mutually agree on the appropriate remedy, if any.

(d) Upon resolution of the dispute, and subject to Section 6.4 below, any required payment shall be made within two (2) Business Days of such resolution along with

interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment.

6.4 Netting of Payments. The Parties hereby agree that they may discharge mutual debts and payment obligations due and owing to each other under this Agreement on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement, interest, and payments or credits, may be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. Notwithstanding anything to the contrary in this Agreement and except for liability arising out of fraud or intentional misconduct of a Party, in no event shall either Party be liable to the other Party, in connection with or arising out of such Party's rights or obligations under this Agreement, for loss of anticipated profits or revenue, costs of replacement power, or any other consequential, incidental, punitive, exemplary, or indirect damages, business interruption damages, by statute, in tort or contract or otherwise, except to the extent part of an express remedy or measure of damages herein.

7.2 Liquidated Damages. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: SELLER FINANCIAL INFORMATION

8.1 Seller's Financial Information. If requested by IID's Risk Management Group, Seller shall deliver to IID's Risk Management Group within one hundred eighty (180) days following the end of each fiscal year, Seller's audited financial statements (or, if Seller does not

routinely obtain audited financial statements, then, unaudited financial statements) in accordance with Generally Accepted Accounting Principles of the United States of America for such fiscal year; provided that IID acknowledges and agrees that only IID's Risk Management Group (and not IID's Resource Planning Group) shall have access to such financial statements and that IID's Risk Management Group shall maintain an ethical wall with IID's Resource Planning Group preventing the disclosure of such financial statements to IID's Resource Planning Group. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles and the officer's certification shall state that the statements are true, complete and correct in all material respects without including or omitting any information which would result in them being inaccurate or materially misleading; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation, such delay shall not be an Event of Default so long as Seller uses commercially reasonable efforts to complete the preparation, certification and delivery of the statements and provides them within thirty (30) days after the deadlines specified above.

8.2 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent Seller delivers Performance Security hereunder pursuant to Section 8.3(a) below, Seller hereby grants to IID a present and continuing first priority security interest in, and lien on (and right of setoff against), and assignment of, all Performance Security in the form of cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, IID pursuant to this Agreement, and each Party agrees to take such action as the other Party reasonably requires in order to perfect IID's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence and during the continuation of an Event of Default by Seller or an Early Termination Date as a result thereof, IID may do any one or more of the following:

- (a) Exercise any of the rights and remedies of a secured party with respect to all Performance Security, including any such rights and remedies under Law then in effect;
- (b) Exercise its rights of setoff against such collateral and any and all proceeds resulting therefrom or from the liquidation thereof;
- (c) Draw on any outstanding Letter of Credit issued for its benefit; and
- (d) Liquidate all or any portion of any Performance Security then held by or for the benefit of IID free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

IID shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Seller's obligations under the Agreement (Seller remaining liable for any amounts owing to IID after such application and to replenish Performance Security as required under Section 8.3 below), subject to IID's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

8.3 Performance Security. To secure its obligations under this Agreement, Seller agrees to deliver to IID and maintain in full force and effect the following:

(a) From the commencement of the Delivery Term until the CPUC approves the Suspension Agreement, the Performance Security in the amount of **Three Million Dollars (\$3,000,000)** in the form of cash or a Letter of Credit; and

(b) From the date the CPUC approves the Suspension Agreement until the end of the Delivery Term, the Performance Security in the amount of **Two Million Dollars (\$2,000,000)** in the form of a Parental Guaranty.

Subject to Section 1.3(c) above, Seller acknowledges and agrees that the Performance Security shall not be deemed a limitation of damages hereunder.

8.4 Return of Performance Security. IID shall promptly return to Seller the unused portion of the Performance Security as follows:

(a) With respect to the cash or Letter of Credit provided under Section 8.3(a) above, the first Business Day after one of the following has occurred: (i) the CPUC approves the Suspension Agreement, (ii) IID secures Replacement Renewable Energy, or (iii) the sixty (60) day mitigation period set forth in Section 1.3(b) above has ended;

(b) With respect to the Parental Guaranty provided under Section 8.3(b) above, the first Business Day after all of the following have occurred: (i) the Delivery Term has expired or terminated early; and (ii) all payment obligations of the Seller arising under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting), provided that no payment obligations of Seller shall survive for more than two (2) years after termination of this Agreement or expiration of the Delivery Period.

8.5 Interest on Cash. If Seller provides Performance Security in the form of cash, IID shall pay interest on such cash at the 12-month U.S. Treasury Bill average yield. On or before each Interest Payment Date, IID shall transfer the sum of all accrued and unpaid interest amounts due to Seller for such security in the form of cash by wire transfer to the bank account specified under "Wire Transfer" in Exhibit D.

8.6 Costs of Letter of Credit. If Seller provides Performance Security in the form of a Letter of Credit, all costs and expenses assessed by the providing financial institution to establish, renew, substitute, cancel, increase and reduce the amount of (as the case may be) one or more Letters of Credit shall be borne solely by Seller.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay all taxes imposed by any governmental authority ("Governmental Charges") on or with respect to the Product or the transaction(s) under this Agreement arising up to the Delivery Point, including, but not limited to ad valorem taxes and any and all other taxes attributable to the generation and sale of Product by the Biomass Facilities. IID shall pay all Government Charges on or with respect to the Product or the transaction(s) under this Agreement arising from the Delivery Point including, but not limited to, ad valorem taxes and any and all other taxes attributable to the purchase and receipt of Product by the Biomass Facilities. In the event that either Party is required by Law to remit or pay Governmental Charges which are the other Party's responsibility hereunder, the other Party shall promptly reimburse such Party for such Governmental Charges.

ARTICLE TEN: REPRESENTATIONS AND WARRANTIES; COVENANTS

10.1 General Representations and Warranties. As of the Effective Date and as of the Commercial Operation Date (except for subparagraph (f) below, which shall only be given as of the Effective Date), each Party represents and warrants to the other Party that:

(a) It is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

(b) It has all Governmental Approvals necessary for it to perform its obligations under this Agreement, except that Seller has not yet received authority from the FERC under Section 205 of the Federal Power Act to make sales of energy, capacity or ancillary services at wholesale. Seller filed an application requesting such authority on March 22, 2012, in FERC Docket No. ER12-1320-000, and seeking an effective date for its tariff of May 1, 2012.

(c) The execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party and as to which a default will have a material adverse effect under this Agreement, or any material provision of any applicable Law;

(d) This Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(e) It is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

(f) There is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(i) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or the ability to make or take delivery of the Product as provided in this Agreement.

10.2 Seller Representations and Warranties. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (a) the Biomass Facilities qualify and are certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in California Public Utilities Code Section 399.12 or Section 399.16; and (b) the Product from the Biomass Facilities delivered to IID qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default, Seller shall have no liabilities to IID under this Agreement, and IID's obligations shall not be affected if Seller has used commercially reasonable efforts to comply with such change in Law.

(b) As of the Commercial Operation Date, Seller represents and warrants that: (i) it has entered into the Suspension Agreement; (ii) the Suspension Agreement is in full force and effect; (iii) Seller is permitted to deliver and sell all Product to IID pursuant to the terms of this Agreement, including Section 11.1; and (iv) there are no defaults under the SCE PPA.

10.3 Covenants.

(a) General Covenants. Each Party covenants that throughout the Delivery Term:

(i) It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

(ii) It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

(iii) It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party and as to which a default will have a material adverse effect under this Agreement, or any applicable Law; and

(iv) It shall not dispute its status as a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

(b) Seller Covenants. Seller covenants that throughout the Delivery Term:

- (i) Seller will maintain Site Control;
- (ii) Seller will operate and maintain the Biomass Facilities in accordance with Good Industry Practices; and
- (iii) Seller will obtain and maintain Qualifying Facility status under the Public Utility Regulatory Policy Act of 1978 or market based rate authority from FERC to sell Product to IID under the terms of this Agreement; provided that Seller has not yet received authority from the FERC under Section 205 of the Federal Power Act to make sales of energy, capacity or ancillary services at wholesale. Seller filed an application requesting such authority on March __, 2012, in FERC Docket No. ER12-____-000, and seeking an effective date for its tariff of May 1, 2012.

ARTICLE ELEVEN: TITLE, RISK OF LOSS, AND INDEMNITY

11.1 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to IID at the Delivery Point. Seller warrants that it will deliver to IID the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to or at the Delivery Point.

11.2 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party and the other Party's directors, officers, employees, and agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand, fine, penalty or expense of any kind or nature (including direct, indirect, or consequential loss, damage, claim, cost, charge, demand, or expense, including attorneys' fees (including costs of in-house counsel) and other costs of litigation, arbitration or mediation), arising out of or in connection with a Party's breach of its obligations under this Agreement. The Parties shall indemnify each other in accordance with comparative fault principles under California law.

ARTICLE TWELVE: DISPUTE RESOLUTION

12.1 Dispute or Claim. Any action, claim or dispute which either Party may have against the other arising out of or relating to this Agreement or the transactions contemplated hereunder, or the breach, termination or validity thereof ("Dispute") shall be submitted in writing to the other Party. The written submission of any Dispute shall include a concise statement of the question or issue in dispute together with a statement listing the relevant facts and documentation that support the claim.

12.2 Good Faith Resolution. The Parties agree to cooperate in good faith to expedite the resolution of any Dispute. Pending resolution of a Dispute, the Parties shall proceed diligently with the performance of their obligations under this Agreement.

12.3 Informal Negotiation. The Parties shall first attempt in good faith to resolve any Dispute through informal negotiations by the operating representatives or contract representatives and senior management of each Party.

12.4 Arbitration. In the event the Parties are unable to resolve the Dispute through informal negotiations as described above, the Parties may elect to pursue arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association, or any other method chosen by the Parties, subject to the express prior written agreement of both Parties. Such written agreement shall include all guidelines to be followed by the Parties in such arbitration or dispute resolution prior to the commencement of such arbitration. Neither Party shall be obligated to pursue arbitration over any other method of dispute resolution.

12.5 Litigation Rights. In the event the Parties are unable to satisfactorily resolve the Dispute within sixty (60) days from the receipt of notice of the Dispute, subject to any extensions of time as may be mutually agreed upon in writing, or any arbitration agreement, either Party may initiate litigation in accordance with Section 14.8 below. However, notwithstanding any provision of this Article 12, the Parties shall be entitled to seek injunctive or other equitable relief at any time and from time to time in accordance with Section 14.8, without regard to the terms of this Article 12, including but not limited to the notice requirements and time periods specified in this Article 12.

12.6 Recovery Costs. In the event any action is brought at law or in equity in court to enforce any provision of this Agreement, or for damages by reason of any alleged breach of this Agreement, then the prevailing Party will be entitled to recover from the other Party all costs of the suit, including, court costs and the prevailing Party's reasonable attorney's fees and related costs and expenses of litigation.

ARTICLE THIRTEEN: NON-DISCLOSURE

13.1 Public Agency. Seller acknowledges that IID is a public agency and subject to the provisions and requirements of the California Public Records Act.

13.2 Compliance. Each Party shall comply with all requirements of the California Public Records Act throughout the term of this Agreement. To the extent permitted under the California Public Records Act, IID shall (a) maintain in confidence all Confidential Information and (b) provide Notice to Seller in advance of disclosing any Confidential Information and afford Seller a reasonable amount of time, consistent with the California Public Records Act, to seek a protective order prior to IID's disclosure of such Confidential Information.

ARTICLE FOURTEEN: MISCELLANEOUS

14.1 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided that it shall be reasonable for IID to withhold its consent if IID determines, in its reasonable discretion, that the assignee does not possess the financial capability to perform under this Agreement. For purposes hereof, a direct change in ownership or control of Seller (but not of any parent company or Affiliate of Seller), or a merger, consolidation or reorganization of Seller shall also constitute an assignment of this Agreement requiring IID's prior written consent. Notwithstanding the foregoing:

(a) Seller may, without the prior consent of IID, assign its rights to a Lender and/or trustee acting on behalf of a Lender, or any entity that acquires an interest in Seller or the Biomass Facilities (collectively, "Financing Entities") in connection with any financing involving the Biomass Facilities. In the event of an assignment of Seller's rights hereunder to any Financing Entities, IID shall take such further actions and execute such documents as are reasonably requested by such Financing Entities to effectuate such assignment; provided, however, that such agreement:

- (i) is consistent in all material respects with this Agreement; and
- (ii) does not materially adversely affect any of IID's rights and obligations under this Agreement.

(b) Solely with respect to any Financing Entity which acquires an interest in this Agreement, and provided IID has received written notice from Seller of such interest and request, IID shall give written notice to such Financing Entity of any Event of Default by Seller under this Agreement.

14.2 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement including amounts of Delivered Energy. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived except to the extent any misinformation was from a third party not Affiliated with any Party and such third party corrects its information after such twelve-month period.

14.3 Insurance.

(a) General Requirements. As of the Commercial Operation Date, Seller shall maintain at all times, at its own expense, property, general/commercial liability, worker's compensation, and other forms of insurance relating to the Biomass Facilities in the manner and amounts set forth herein. Seller shall maintain coverage on all policies written on a "claims made" or "occurrence" basis.

(b) Qualified Insurers. Every contract of insurance providing the coverage required herein shall be with an insurer or eligible surplus lines insurer qualified to do business in the State of California and with the equivalent, on a continuous basis, of a "Best Rating" of "A-7" or better and shall include provisions or endorsements:

- (i) Stating that with respect to any claim derived out of Seller's negligence such insurance is primary insurance with respect to the interest of IID and that any insurance maintained by IID is excess and not contributory insurance required hereunder;

(ii) Stating that no reduction, cancellation or expiration of the policy shall be effective without (30) days written notice to Seller, except in the case of non-payment of premium which requires only seven (7) days written notice to Seller;

(iii) Naming IID as an additional insured on the general liability insurance policies as its interests may appear with respect to this Agreement; and

(iv) All policies shall waive the insurers' right of subrogation against IID.

(c) Seller is obligated within 24 hours of receiving a written notice by Seller's Risk Manager of material reduction of policy limits, cancellation or expiration of the policy to forward a copy of said notice to IID

(d) Certificates of Insurance. Within thirty (30) days after the Commercial Operation Date, Seller shall provide to IID, and shall continue to provide to IID within thirty (30) days after each anniversary of the Commercial Operation Date until the expiration of the Delivery Term, upon any change in coverage, or at the request of IID not to exceed once each year, properly executed and current certificates of insurance with respect to all insurance policies required to be maintained by Seller under this Agreement. Certificates of insurance shall provide the following information:

(i) The insurance company, policy number and expiration date;

(ii) The coverage required and the limits on each, including the amount of deductibles or self-insured retentions, which shall be for the account of Seller maintaining such policy;

(iii) A statement indicating that Seller shall receive at least thirty (30) days prior notice of cancellation or expiration of a policy or of a reduction of liability limits with respect to a policy, and that Seller shall receive written notice of cancellation at least seven (7) days prior to cancellation for non-payment; and

(iv) All certificates of insurance shall expressly state that IID is an additional insured and that the policies required under this Agreement (and Ground Lease as applicable) will not be cancelled or amended without at least thirty (30) days prior written notice to IID except for seven (7) days for non payment of premium.

(e) Inspection of Insurance Policies. IID shall have the right to inspect the original policies of insurance applicable to this Agreement at the Seller's place of business during regular business hours.

(f) Seller's Insurance Requirements.

(i) Worker's Compensation. Worker's compensation insurance in accordance with statutory requirements including employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence.

(ii) General Liability. Commercial General Liability Insurance, including Contractual Liability Coverage for liabilities assumed under this Agreement, and Personal Injury Coverage in the amount of Ten Million Dollars (\$10,000,000) per occurrence and on an annual aggregate basis for Bodily Injury and Property Damage, provided that Seller may satisfy some or all of this requirement through an umbrella policy.

(g) Failure to Comply. If Seller fails to comply with the provisions of this Section 14.3, then such failure shall be an Event of Default as set forth in Section 5.1(b)(iii). Additionally, Seller acknowledges that the existence of insurance coverage, or absence thereof, shall not affect Seller's indemnity obligations under this Agreement.

14.4 Entire Agreement. This Agreement, together with each and every exhibit, appendix, attachment, amendment, schedule and any written supplements hereto, if any, between the Parties constitutes the entire agreement between the Parties respecting the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, representations, warranties and statements respecting the subject matter hereof, whether oral or written.

14.5 Notice. Whenever this Agreement requires or permits delivery of a "Notice" (or requires a Party to "notify"), the Party with such right or obligation shall provide a written communication in the manner specified in herein to the relevant parties identified in Exhibit E; provided, however, that notices of Outages or other Scheduling or dispatch information or requests, shall be provided in accordance with the terms set forth in the relevant section of this Agreement. Invoices may be sent by facsimile or e-mail. A Notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5:00 p.m. (and if received after 5:00 p.m., on the next Business Day) and a Notice of overnight mail or courier shall be deemed to have been received five (5) days after it was sent or such earlier time as is confirmed by the receiving Party. Each Party shall provide Notice to the other Party of the persons authorized to nominate and/or agree to a Schedule or dispatch order for the delivery or acceptance of the Product or make other Notices on behalf of such Party and specify the scope of their individual authority and responsibilities, and may change its designation of such persons from time to time in its sole discretion by providing Notice.

14.6 Recording. Solely with respect to any telephone conversations between the Scheduling Agent and Seller, unless a Party expressly objects to the creation of a tape or electronic recording ("Recording") at the beginning of a telephone conversation, each Party consents to the creation of a Recording of such telephone conversations between the Scheduling Agent and Seller. Any Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such Recording of any telephone conversations solely with respect to Scheduling between the Scheduling Agent and Seller, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. Upon request of the other Party, the Party in possession of such a Recording shall provide such Recording to the other Party at the other Party's expense.

14.7 Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

14.8 Governing Law; Venue. This Agreement shall be interpreted in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in Federal court located in the County of San Diego, State of California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this paragraph. Each Party hereby waives any right it may have to assert the doctrine of *forum non conveniens* or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this paragraph, and stipulates that the Federal court located in San Diego, California, shall have *in personam* jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

14.9 Construction. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

14.10 Amendment. Except to the extent provided for herein, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties.

14.11 No Third Party Beneficiaries; Waiver. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

14.12 Headings; Successors. The headings used herein are for convenience and reference purposes only. This Agreement shall be binding on each Party's successors and permitted assigns.

14.13 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use commercially reasonable efforts to modify this Agreement to give effect to the original intention of the Parties.

14.14 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by fax will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by facsimile will also deliver an originally executed counterpart,

but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

14.15 Interpretation. The following rules of interpretation shall apply:

(a) The term "month" shall mean a calendar month unless otherwise indicated, and a "day" shall be a 24-hour period beginning at 12:00:01 a.m. Pacific Prevailing Time and ending at 12:00:00 midnight Pacific Prevailing Time; provided that a "day" may be 23 or 25 hours on those days on which daylight savings time begins and ends.

(b) Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then exist at the applicable time to which such construction applies.

(c) Capitalized terms used in this Agreement, including the appendices hereto, shall have the meaning set forth in Exhibit A to this Agreement, unless otherwise specified.

(d) Unless otherwise specified herein, references in the singular shall include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

(e) The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation.

(f) References to a particular article, section, subsection, paragraph, subparagraph, appendix or attachment shall, unless specified otherwise, be a reference to that article, section, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.

(g) Any reference in this Agreement to any natural person, Governmental Authority, corporation, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, partnership or other legal entity succeeding to its functions.

(h) All references to dollars are to U.S. dollars.

14.16 Time of the Essence. Time is of the essence in regards to this Agreement.

14.17 Cooperation. Seller and IID agree to do all things reasonably necessary to carry out and effectuate the terms of this Agreement.

* * *

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

DESERT VIEW POWER, INC.
a California Corporation

By: _____

Name: Hugh W. Smith

Title: President

IMPERIAL IRRIGATION DISTRICT
A California Irrigation District

By: _____

Name: John Pierre Menvielle

Title: President, Board of Directors



EXHIBIT A

Definitions

The following terms shall have the following meaning for purposes of this Agreement:

“Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Agreement” has the meaning set forth in the preamble.

“Balancing Authority Area” has the meaning set forth in the OATT.

“Balancing Authority Area Operator” or “BAAO” means a Person, its agents and successors that are responsible for the operation of the Transmission System and for maintaining reliability of the electrical transmission system(s), including the Transmission System, within the Balancing Authority Area. As of the Effective Date, the Balancing Authority Area Operator for this Agreement is also is the Transmission Provider.

“Bankrupt” means with respect to any entity, such entity that (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of sixty (60) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (f) is generally unable to pay its debts as they fall due.

“Biomass Facilities” means all of the Biomass electric generating units and related equipment, the Site at which such Biomass electric generating units are located, and the other assets, tangible and intangible, that comprise the biomass power generation facility, more particularly described in Exhibit B.

“Business Day” means any day except a Saturday, Sunday, or a NERC Holiday, and shall be between the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party’s principal place of business where the relevant Party, in each instance unless otherwise specified, shall be the Party from whom the Notice, payment or delivery is being sent and by whom the Notice or payment or delivery is to be received.

“Calculation Period” means each period of time, excluding the Initial Calculation Period, set forth in Exhibit C.

"California Renewables Portfolio Standard" means the Renewables Portfolio Standard of California under California Senate Bills 1078, 107 and X1-2, as codified in California Public Utilities Code Sections 387, 390.1, and 399.25 and Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1, as such provisions are amended or supplemented from time to time.

"Capacity Attributes" means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Biomass Facilities intended to value any aspect of the capacity of the Biomass Facilities to produce Energy or ancillary services, including but not limited to any accounting construct so that the Contract Capacity of the Biomass Facilities may be counted toward a resource adequacy obligation or similar measure in respect to the capacity of the Biomass Facilities to generate Energy.

"CEC" means the California Energy Commission or its successor agency.

"Commercial Operation" means that (a) the Biomass Facilities are operating and able to produce and deliver at least 40 MW of Energy to IID pursuant to the terms of this Agreement; and (b) Seller shall have delivered to IID the Performance Security required under Section 8.3(a).

"Commercial Operation Date" (or "COD") means the date on which Seller achieves Commercial Operation for the Biomass Facilities, which is expected to be May 1, 2012.

"Confidential Information" means the terms of this Agreement and any information shared by Seller with IID concerning this Agreement, except for information that is or becomes available to the public without violation of any confidentiality requirements.

"Contract Capacity" has the meaning set forth in Section 3.2.

"Contract Quantity" has the meaning set forth in Section 3.3, as further detailed in Exhibit C.

"Contract Year" means the period commencing on the Commercial Operation Date and ending on the first day of the month following the one year anniversary of the Commercial Operation Date or, for all periods after the one year anniversary of the Commercial Operation Date, a period of twelve (12) consecutive months commencing on the first day of the month following the month in which the Commercial Operation Date occurred.

"Cost Limitation" has the meaning set forth in Section 3.15.

"Costs" means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with such Terminated Transaction.

"CPUC" means the California Public Utilities Commission.

"CPUC Termination Event" has the meaning set forth in Section 1.3.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P, Moody's or Fitch.

"Day-Ahead Schedule" has the meaning set forth in Section 3.7(d).

"Defaulting Party" means the Party that is subject to an Event of Default.

"Delivered Energy" means all Energy produced from the Biomass Facilities and delivered to IID at the Delivery Point as measured in MWh at the revenue meter of the Biomass Facilities.

"Delivery Point" means the point at which IID receives Seller's Product, as set forth in Section 3.1.

"Delivery Term" has the meaning set forth in Section 1.2.

"Dispatch Down Period" means the period of curtailment of delivery of Product from the Biomass Facilities resulting from (a) curtailments ordered from the BAAO for any system emergency ("System Emergency"); (b) curtailments ordered by the BAAO based on any warning of an anticipated System Emergency, or warning of an imminent condition or situation which could jeopardize the BAAO's electric system integrity or the integrity of other systems to which the BAAO is connected; or (c) curtailments ordered by the Transmission Provider as a result of scheduled or unscheduled maintenance on the Transmission Provider's transmission facilities that prevents (i) IID from receiving, or (ii) Seller from delivering Delivered Energy at the Delivery Point.

"Dispute" has the meaning set forth in Section 12.1.

"Early Termination Date" has the meaning set forth in Section 5.2(a).

"Effective Date" has the meaning set forth in the Preamble of this Agreement.

"Eligible Renewable Energy Resource" or "ERR" has the meaning set forth in California Public Utilities Code Section 399.11, *et seq.*, as amended or supplemented from time to time.

"Energy" means electric energy measured in MWh and net of Station Service.

"Environmental Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, whether currently identified or identified any time in the future, attributable to the generation from the Biomass Facilities, and its avoided emission of pollutants. Environmental Attributes include, but are not limited to, Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons,

perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state Law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Environmental Attributes associated with one (1) MWh of Energy. Environmental Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Biomass Facilities, (ii) production tax credits or grants associated with the construction or operation of the Biomass Facilities and other financial incentives in the form of credits, reductions, or allowances associated with the Biomass Facilities that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by or related to the Biomass Facilities for compliance with local, state, or federal operating and/or air quality permits.

"Equitable Defenses" means any bankruptcy, insolvency, reorganization or other Laws affecting creditors' rights generally and, with regard to equitable remedies, the discretion of the court before which proceedings may be pending to obtain same.

"Event of Default" has the meaning set forth in Section 5.1.

"Financing Entities" has the meaning set forth in Section 14.1(a).

"First Offer Notice" has the meaning set forth in Section 1.4(a).

"Fitch" means Fitch Ratings, or its successor.

"Force Majeure" means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement but only to the extent (1) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (2) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party's ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (3) such event is not the direct or indirect result of the fault or negligence of the Party seeking to have its performance obligations excused thereby.

(a) Subject to the foregoing, events that could qualify as Force Majeure include, but are not limited to the following:

(i) acts of God, flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcanic eruption, other natural disaster or unusual or extreme adverse weather-related events;

(ii) war (declared or undeclared), riot or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockage, insurrection, revolution, expropriation or confiscation, or a change in Law enacted by any Governmental Authority (other than the IID) that wholly or partly prevents the operation of the Biomass Facilities;

(iii) except as set forth in subpart (b)(vi) below, strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable); or

(iv) any failure of a (A) turbine, (B) generator, or (C) generator step-up transformer with respect to the Biomass Facilities that wholly or partly prevents the operation of the Biomass Facilities and that reasonably requires an extended period of time to either replace or repair such equipment, so long as Seller has operated and maintained the Biomass Facilities in accordance with Good Industry Practices.

(b) Force Majeure shall not be based on:

(i) IID's inability economically to use or resell the Product purchased hereunder;

(ii) Seller's ability to sell the Product at a price greater than the price set forth in this Agreement;

(iii) Subject to the limitations set forth in Section 3.15, Seller's inability to obtain or maintain Governmental Approvals (or other approvals of any type) for the operation or maintenance of the Biomass Facilities;

(iv) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to operate the Biomass Facilities, except to the extent Seller's inability to obtain sufficient labor, equipment, materials, or other resources is caused by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iv) above;

(v) Seller's failure to obtain additional funds, including funds authorized by a state or the federal government or agencies thereof, to supplement the payments made by IID pursuant to this Agreement;

(vi) a strike, work stoppage or labor dispute limited only to any one or more of (A) Seller, (B) Seller's Affiliates, or (C) any subcontractor or third party exclusively employed by Seller or Seller's Affiliates to work on the Biomass Facilities at the Site; or

(vii) any equipment failure except to the extent described in clause (a)(iv) above or to the extent that such equipment failure is caused by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iv) above.

“Forced Outage” means any unplanned reduction or suspension of production of Product from the Biomass Facilities or unavailability of the Biomass Facilities in whole or in part that is not a Planned Outage or a willful withholding of Product when the Biomass Facilities are otherwise capable of delivering Product under Good Industry Practices.

“Gains” means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Delivery Term, determined in a commercially reasonable manner, subject to Section 5.3 hereof. Factors used in determining economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market referent prices for renewable power set by the CPUC, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Environmental Attributes, Capacity Attributes and PTC benefits.

“Generally Accepted Accounting Principles” means those accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect as of the relevant date of determination.

“GO” has the meaning set forth in Section 3.9(c)(ii).

“GOP” has the meaning set forth in Section 3.9(c)(ii).

“Good Industry Practice” means those practices, methods and acts that would be implemented and followed by prudent operators of electric transmission facilities (with respect to IID) or prudent non-utility operators of electric generation facilities similar to the Biomass Facilities (with respect to Seller) in the Western United States during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety, and shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers’ warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC and NERC standards, the OATT and applicable Law. Good Industry Practice is not intended to be the optimum practice, method or act to the exclusion of all others, but rather is intended to be any of the practices, methods and/or actions generally accepted in the region.

“Governmental Approval” means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any governmental entity and, with respect to the Seller, shall include those siting and operating

permits and licenses, and any of the foregoing under any applicable environmental Law, that are required for the construction, use, and operation of the Biomass Facilities.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

“Governmental Charges” has the meaning set forth in Section 9.2.

“IID” means the Imperial Irrigation District.

“Initial Calculation Period” means the first period of time set forth in Exhibit C.

“Institutional Lender” means any financial institution or other entity (or its successors in interest or assignees) that (i) provide(s) a Letter of Credit to Seller, (ii) has assets of not less than ten billion dollars (\$10,000,000,000) and (iii) has a Credit Rating of not less than “A2” from Moody’s or not less than “A” from S&P and/or Fitch.

“Interest Payment Date” means the last Business Day of each calendar year.

“Interest Rate” means the rate of interest per annum publicly announced from time to time by Bank of America as its 'Prime Rate', plus three percent (3%), or the maximum rate permitted by applicable Law, whichever is less.

“Production Tax Credit” or “PTC” means any production tax credit under Section 45 of the Internal Revenue Code as in effect from time-to-time throughout the Delivery Term or any successor or other provision providing for a federal tax credit determined by reference to renewable electric energy produced from wind or other renewable energy resources for which Seller, as the owner of the Biomass Facilities, is eligible.

“Law” means any statute, law, treaty, rule, regulation, ordinance, code, Governmental Approval, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing. For the avoidance of doubt, “Law” does not mean any ordinance(s) adopted by the IID Board of Directors for the purpose(s) of avoiding financial responsibility for its promises in or for the purposes of increasing burdens on Seller under this Agreement.

“Lender” means any financial institution or other entity or its successors in interest or assignees, that provide(s) development, bridge, construction, permanent debt or tax equity financing or refinancing for the Biomass Facilities to Seller.

“Letter(s) of Credit” means one or more irrevocable, transferable standby letters of credit issued by an Institutional Lender in a form acceptable to IID in its reasonable discretion.

“Losses” means with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from a Terminated Transaction for the remaining term of this Agreement, determined in a commercially reasonable manner. Factors used in determining the loss of economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market referent prices for renewable power set by the CPUC, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g. NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Environmental Attributes, Capacity Attributes and ITC benefits (that Seller has not been able to mitigate after use of reasonable efforts).

“Major Failure” means any failure that constitutes or is caused by a Force Majeure of one or more components of the Biomass Facilities that prevents the performance of a material portion of the obligations hereunder and that could not reasonably be cured within twelve (12) months despite the exercise of due diligence.

“Minimum Threshold” has the meaning set forth in Section 3.4(a).

“Minimum Threshold Liquidated Damages” has the meaning set forth in Section 3.4(a).

“Mitigation Costs” has the meaning set forth in Section 1.3(b).

“Moody’s” means Moody’s Investor Services, Inc., or its successor.

“MW” means one megawatt, alternating current.

“MWh” means MW-hour.

“NERC” means the North American Electric Reliability Council or a successor organization that is responsible for establishing reliability criteria and protocols.

“NERC Holiday” means any of the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day, occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the fourth (4th) Thursday in November. New Year’s Day, Independence Day, and Christmas Day occur on the same date each year, but in the event any of these holidays occur on a Sunday, the “NERC Holiday” is celebrated on the Monday immediately following that Sunday; and if any of these holidays occur on a Saturday, the “NERC Holiday” remains on that Saturday.

“Non-Defaulting Party” has the meaning set forth in Section 5.2.

“Notice” shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail).

“OATT” means the IID Open Access Transmission Tariff, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by the IID Board of Directors.

“Parental Guaranty” means a guaranty from DVP’s ultimate parent company, Greenleaf Investment Holdings II LLC, guaranteeing Seller’s performance of Seller’s obligations under this Agreement, up to the amount of the Performance Security.

“Party” or “Parties” means the IID or Seller individually, or both collectively.

“Performance Security” shall mean the security that Seller is required to post and maintain during the Delivery Term, as specified in Sections 8.3(a) and 8.3(b), to secure performance of its obligations hereunder.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

“Planned Outage” means any planned reduction or suspension of the electrical output from the Biomass Facilities or unavailability of the Biomass Facilities in whole or in part as a result of the inspection, maintenance, or repair of equipment that is scheduled in accordance with Section 3.11(a).

“Product” has the meaning set forth in Section 2.1.

“Product Price” has the meaning set forth in Exhibit E.

“Product Shortfall” has the meaning set forth in Section 3.4(a).

“Recording” has the meaning set forth in Section 14.6.

“Renewable Energy Credit” (or “REC”) means a Category 1 (“in state” resources) renewable energy credit created from eligible resources that (a) have a first point of interconnection with a California balancing authority area, (b) have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or (c) are scheduled from the eligible renewable energy source into a California balancing authority without substituting electricity from another source, as generally described in California Public Utilities Code Section 399.12(h) and as more specifically described in California Senate Bill X1-2 (as may be amended from time to time or as further defined or supplemented by Law).

“Replacement Renewable Energy” has the meaning set forth in Section 1.3(a).

“S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

“SCE” shall have the meaning set forth in the recitals.

“SCE PPA” shall have the meaning set forth in the recitals.

“Schedule” means the actions of IID and/or its designated representatives, or Scheduling Agent of notifying, requesting and confirming to the BAAO the quantity of Product to be delivered on any given day or days at the Delivery Point.

“Scheduling Agent” or “SA” means an entity responsible for confirming with Seller the quantity of Product to be delivered to IID on any given day or days at the Delivery Point.

“Seller” shall have the meaning set forth in the preamble.

“Settlement Amount” means, with respect to the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Sections 5.2 and 5.3.

“Site” (or “Property”) shall mean the physical location of the Biomass Facilities, as further described in Exhibit B.

“Site Control” means that Seller owns the Site, is a lessee of the Site under a long-term lease, or is a long-term holder of one or more right-of-way grants (or similar instruments) with respect to the Site.

“Station Service” means the electric energy produced by the Biomass Facilities that is either used within the Biomass Facilities to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for operation of the Biomass Facilities.

“Suspension Agreement” shall have the meaning set forth in the recitals.

“Terminated Transaction” means the early termination of this Agreement in accordance with Section 5.2(a).

“Termination Payment” has the meaning set forth in Section 5.2(b).

“Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or IID to or from the Delivery Point.

“WECC” means the Western Electricity Coordinating Council or successor agency.

“WECC Scheduling Day” means the day of the week on which WECC scheduling entities pre-schedule energy for the next day or several future days in the case of weekends or holidays.

“WREGIS” means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

[END OF EXHIBIT A]

EXHIBIT B

Description of the Biomass Facilities

Name of the Biomass Facilities: Desert View Power, Inc.

Owner of the Biomass Facilities: Desert View Power, Inc.

Operator of the Biomass Facilities: Desert View Power, Inc.

Physical address of the Biomass Facilities: 62-300 Gene Welmas Drive, Mecca, CA 92254

Contract Capacity of the Biomass Facilities is 45 MW (subject to Section 3.2)

Interconnection Point: Colmac Mecca Substation

Substation: Colmac Mecca Substation

The term "Site" (or "Property") as defined in the Agreement means the following parcel description upon which the Biomass Facilities are located:

That portion of the Cabazon Indian Reservation in the South half of Section 6, Township 7 South, Range 9 East, San Bernardino Meridian, in the County of Riverside, State of California, according to the Official Government Plat thereof; described as follows:

Beginning at the intersection of the East right-of-way of the Southern Pacific Railroad, as shown on a Record of Survey filed in Book 17, Page 22, of Records of Surveys, and the South line of said Section 6; said point being the true point of beginning;

Thence North 36°04'17" West 1372.85 feet along said East right-of-way line to the South right-of-way line of a Coachella Valley Water District Pipeline. Said Coachella Valley Water District right-of-way being 20.00 feet in width the centerline of which is depicted on said Record of Survey filed in Book 22, Page 17 of Records of Surveys as the centerline of a "High Pressure Main Lat.;

Thence North 44°27'18 11 East 1953.47 feet along said South right-of-way, to a line parallel with and South 155.18 feet from the North line of the Southeast quarter of said Section 6, said 155.18 feet being measured on the West line of said Southeast quarter;

Thence South 89°58 1 53" East, 1075.95 feet parallel with the North line of the South half of said Section 6; thence South 03°35 1 50 11 West, 2509.20 feet parallel with the West line of the Southeast quarter of said Section 6 to a point on the South line of said Section 6; thence North 89°55'50" West 957.00 feet on the South line of said Section 6 to the South quarter corner of said Section 6; thence North 89°56'05" West along the South line of said Section 6, 521.31 feet to the true point of beginning.

[END OF EXHIBIT B]

EXHIBIT C

Contract Quantity (MWh)

Calculation Period	Contract Quantity (MWh)
Initial Calculation Period – 05/01/12 through 12/31/13	591,300
01/01/14 through 12/31/15	709,560
01/01/16 through 12/31/17	709,560
01/01/18 through 12/31/19	709,560
01/01/20 through 04/30/22	827,820

[END OF EXHIBIT C]

EXHIBIT D

Notice Instructions and Operating Procedures

SELLER:

Operating Representative

Address:

Desert View Power, Inc.
62-300 Gene Welmas Drive
Mecca, CA 92254
(760) 262-1652
Attn: Russell Huffman

Contract Representative

Address:

Greenleaf Power
2600 Capitol Ave.
Suite 430
Sacramento, CA 95816
(916) 596-2503
Attn: Charles Abbott

Payment Check:

Address:

Greenleaf Power
Suite 430
2600 Capitol Avenue
Sacramento, CA 95816
Attn: Steven Morton

Payment Wire Transfer:

Desert View Power, Inc.
Routing Number: 121000248
Account Number: 4122146616

Invoice:

Address:

Desert View Power, Inc.
62-300 Gene Welmas Drive
Mecca, CA 92254
Attn: Noleen Ellis

Operating Notifications:

(i) Pre-Schedule

Rick Kruzel

Phone: (760) 262-1644

Fax: (760) 262-1612

Email: rkruzel@greenleaf-power.com

(ii) Real Time

BTG Operator Desk

Phone: (760) 262-1645

Fax: (760) 262-1612

Email: ControlRoom@colmac-energy.com

(iii) Monthly Checkout Person

Phone: (760) 262-1644

Fax: (760) 262-1612

Email: rkruzel@greenleaf-power.com

IID:

Operating Representative:

Name: Joel Fugett

Address:

IID

904 N. Dogwood Rd

El Centro, CA 92243

Phone: (760) 339-0566

Fax: (760) 339-0767

Email: jpfugett@iidenergy.com

Invoice Address:

Energy Accounting Section

IID

333 E. Barioni Blvd

Imperial, CA 92251

Phone: (760) 482-3377

Fax: (760) 482-3380

(i) Pre-Schedule:

Name: Arcadio Magana

Address:

IID

1651 W. Main Street

El Centro, CA 92243

Phone: (760) 482-3387

Fax: (760) 482-3380

Email: amagana@iidenergy.com

(ii) Real Time:

Name: Real Time Trading Desk

IID

1651 W. Main Street

El Centro, CA 92243

Phone: (760) 482-3366

Fax: (760) 482-3380

(iii) Monthly Checkout Person

Name: Linda Valdivia

Address:

IID

Energy Accounting Section

IID

1651 W. Main Street

El Centro, CA 92243

Phone: (760) 482-3377

Fax: (760) 482-3380

Email: lvaldivia@iidenergy.com

Control Area/ Transmission

IID

Systems Operation Center

904 N. Dogwood Rd.

El Centro, CA 92243

Phone: (760) 339-0532

Additional Operating Procedures:

- Seller shall adhere to IID's standard protocols and directives for switching, tagging, etc.
- Seller shall obtain IID's written consent prior to manually performing any switching operations unless, in Seller's reasonable judgment, immediate action is required.

[END OF EXHIBIT D]

EXHIBIT E

Product Price

(1) Product Price: The Product Price during each Contract Year shall be:

Contract Year	Product Price (\$/MWh)
1	\$93.00
2	\$94.40
3	\$95.81
4	\$97.25
5	\$98.71
6	\$100.19
7	\$101.69
8	\$103.22
9	\$104.76
10	\$106.34

[END OF EXHIBIT E]